

*By the rude bridge that
arched the flood,
their flag to april's
breeze unfurled.
Here once the embattled
farmers stood
and fired the shot heard
round the world"*

Ralph Waldo Emerson

No one knows who fired the first shot - "the shot heard round the world," but it was a turning point in American history as the British troops and American Minutemen fought for the first time.

When British troops reached Lexington at dawn, they were confronted on Lexington Green by a line of 30 to 40 minuteman. A shot was fired, a skirmish resulted and eight Minutemen were killed and another nine wounded.

At Lexington the British lost no men. They regrouped and marched into Concord where they were met by 250 Minutemen on the North bridge and after provocation by the British a second battle took place. By day's end the British suffered 273 casualties and the patriots 93.

Every April 19th, the battles of Lexington and Concord are re-enacted by troops in period dress. This event attracts thousands of spectators.

Mural of the Retreat from Concord

One of a group of five murals at the Massachusetts State House by Robert Reid

Courtesy of the Massachusetts Arts Commission

**COMMONWEALTH OF MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 1995**

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the Commonwealth in a trustee capacity or as an agent for individuals, private organizations or other governments.

EXPENDABLE TRUST FUNDS:

Expendable Trust - to account for various gifts, bequests or contributions held by the Commonwealth of which both principal and interest may be expended for purposes designated by the donor.

Unemployment Compensation - to account for unemployment taxes collected from employers and held by the United States Treasury in the Federal Unemployment Trust Fund, from which funds are drawn for the payment of benefits to the unemployed.

NONEXPENDABLE TRUST FUNDS:

Nonexpendable Trust - to account for various gifts and bequests held by the Commonwealth, of which only the income may be expended for purposes specified by the donor.

PENSION TRUST FUNDS:

Public Employee Retirement Systems - to account for the assets, liabilities and fund balances held in trust by the State Employees' and Teachers' Retirement Systems for the payment of retirement, disability and death benefits to members of these retirement systems.

**COMMONWEALTH OF MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 1995**

AGENCY FUNDS:

Central Agency Funds - to account for cash and investments held or managed by the Commonwealth on behalf of others, including the investments made by cities, towns and local authorities in the Massachusetts Municipal Depository Trust and Pension Reserves Investment Trust, employees' contributions to the deferred compensation plan, annuity contracts held for lottery prize winners, and local option taxes collected but not yet remitted.

Court Escrow and Client Accounts - to account for assets held in escrow accounts by the Commonwealth's court system pending settlement of outstanding litigation and by the human service departments on behalf of patients, clients and inmates, and for child support payments collected or receivable and not yet remitted to custodial parents.

Statutory Bonds and Deposits - to account for deposits required from insurance companies and similar organizations doing business within the Commonwealth, to protect citizens against the risk of loss due to business failure.

COMMONWEALTH OF MASSACHUSETTS
COMBINING BALANCE SHEET -
FIDUCIARY FUND TYPES
JUNE 30, 1995
(Amounts in thousands)

	Expendable Trust Funds	Non- expendable Trust Funds
<u>ASSETS</u>		
Cash and short-term investments	\$ 129,066	\$ 5,837
Deposits	385,605	
Investments		
Investments of deferred compensation plan		
Annuity contracts		
Assets held in trust		
Receivables, net of allowance for uncollectibles:		
Taxes	311,957	
Due from federal government	2,261	
Loans	7,794	
Other receivables	21,684	
Due from other funds		
Total assets	\$ 858,367	\$ 5,837
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$ 37,202	\$ 0
Accrued payroll	220	
Compensated absences	225	
Tax refunds and abatements payable	6,391	
Due to cities and towns		
Due to other funds		
Deferred revenue	30,958	
Prizes payable		
Deferred compensation benefits payable		
Agency liabilities		
Claims and judgments		
Other accrued liabilities	3,003	
Total liabilities	77,999	
Fund balances:		
Reserved for pension benefits		
Reserved for unemployment benefits	649,115	
Reserved for non-expendable trusts		5,837
Unreserved	131,253	
Total fund balances	780,368	5,837
Total liabilities and fund balances	\$ 858,367	\$ 5,837

		Totals	
Pension Trust Funds	Agency Funds	1995	1994
\$ 429,475	\$ 1,069,000	\$ 1,633,378	\$ 1,749,344
		385,605	33,001
13,054,318	452,412	13,506,730	11,613,208
	1,215,348	1,215,348	945,401
	1,097,652	1,097,652	1,045,084
	1,672,864	1,672,864	1,550,917
		311,957	319,802
		2,261	655
		7,794	7,420
219,141	27,000	267,825	318,767
			2,487
\$ 13,702,934	\$ 5,534,276	\$ 20,101,414	\$ 17,586,086
\$ 201,490	\$ 5,423	\$ 244,115	\$ 509,678
		220	368
		225	200
		6,391	8,475
	14,292	14,292	11,937
2,830		2,830	6,164
		30,958	29,844
	1,097,652	1,097,652	1,045,084
	1,215,348	1,215,348	945,401
	3,201,561	3,201,561	3,010,656
			167
15,376		18,379	27,116
219,696	5,534,276	5,831,971	5,595,090
13,483,238		13,483,238	11,563,156
		649,115	296,676
		5,837	5,840
		131,253	125,324
13,483,238		14,269,443	11,990,996
\$ 13,702,934	\$ 5,534,276	\$ 20,101,414	\$ 17,586,086

COMMONWEALTH OF MASSACHUSETTS
COMBINING BALANCE SHEET -
EXPENDABLE TRUST FUNDS
JUNE 30, 1995
(Amounts in thousands)

ASSETS	Expendable Trust	Unemployment Compensation	Totals	
			1995	1994
Cash and short-term investments	\$ 129,066	\$ 0	\$ 129,066	\$ 123,763
Deposits		385,605	385,605	33,001
Receivables, net of allowance for uncollectibles:				
Taxes	1,104	310,853	311,957	319,802
Due from federal government	2,261		2,261	655
Loans	7,794		7,794	7,420
Other receivables	5,814	15,870	21,684	19,643
Due from other funds				2,487
Total assets	\$ 146,039	\$ 712,328	\$ 858,367	\$ 506,771
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 10,196	\$ 27,006	\$ 37,202	\$ 43,230
Accrued payroll	220		220	368
Compensated absences	225		225	200
Tax refunds payable		6,391	6,391	8,475
Due to other funds				2,487
Deferred revenue	1,142	29,816	30,958	29,844
Other accrued liabilities	3,003		3,003	
Claims and judgments				167
Total liabilities	14,786	63,213	77,999	84,771
Fund balances:				
Reserved for unemployment benefits		649,115	649,115	296,676
Unreserved	131,253		131,253	125,324
Total fund balances	131,253	649,115	780,368	422,000
Total liabilities and fund balances	\$ 146,039	\$ 712,328	\$ 858,367	\$ 506,771

COMMONWEALTH OF MASSACHUSETTS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
EXPENDABLE TRUST FUNDS
FISCAL YEAR ENDED JUNE 30, 1995
(Amounts in thousands)

	Expendable Trust	Unemployment Compensation	Totals	
			1995	1994
Revenues:				
Taxes	\$ 786	\$ 1,146,136	\$ 1,146,922	\$ 1,125,539
Assessments	2,354		2,354	1,207
Federal grants and reimbursements	11,895	17,433	29,328	257,551
Departmental	5,693		5,693	3,528
Miscellaneous	138,040	12,751	150,791	60,191
Total revenues	158,768	1,176,320	1,335,088	1,448,016
Other financing sources:				
Operating transfers in	5,745		5,745	5,863
Other sources	1,503		1,503	138
Total other financing sources	7,248		7,248	6,001
Total revenues and other financing uses	166,016	1,176,320	1,342,336	1,454,017
Expenditures:				
Current:				
Judiciary	295		295	3,689
Secretary of the Commonwealth	118		118	4
Treasurer and Receiver-General	2,532		2,532	19
Auditor of the Commonwealth	451		451	167
Attorney General	808		808	1,124
District Attorney	2,925		2,925	3,609
Office of Campaign and Political Finance	254		254	
Board of Library Commissioners	1		1	
Administration and finance	2,582		2,582	1,325
Environmental affairs	5,042		5,042	4,716
Communities and development	2,674		2,674	433
Health and human services	16,721		16,721	20,283
Transportation and construction	626		626	829
Education	1,423		1,423	1,296
Higher education	159		159	79
Public safety	3,165		3,165	3,728
Economic affairs	7,551	823,881	831,432	1,082,791
Elder affairs	59		59	60
Consumer affairs	6,667		6,667	3,538
Labor	33,073		33,073	28,249
Total expenditures	87,126	823,881	911,007	1,155,939
Other financing uses:				
Operating transfers out	73,128		73,128	4,776
Total expenditures and other financing uses	160,254	823,881	984,135	1,160,715
Excess of revenues and other financing sources over expenditures and other financing uses	5,762	352,439	358,201	293,302
Fund balances at beginning of year	125,324	296,676	422,000	128,698
Equity transfer	167		167	
Fund balances at end of year	\$ 131,253	\$ 649,115	\$ 780,368	\$ 422,000

COMMONWEALTH OF MASSACHUSETTS
COMBINING BALANCE SHEET -
PENSION TRUST FUNDS
JUNE 30, 1995
(Amounts in thousands)

ASSETS	State Employees' PERS	Teachers' PERS	Totals	
			1995	1994
Cash and short-term investments	\$ 210,878	\$ 218,597	\$ 429,475	\$ 536,983
Investments	6,448,580	6,605,738	13,054,318	11,231,187
Other receivables, net of allowance for uncollectibles	93,225	125,916	219,141	280,124
Total assets	\$ 6,752,683	\$ 6,950,251	\$ 13,702,934	\$ 12,048,294
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 100,579	\$ 100,911	\$ 201,490	\$ 454,345
Due to other funds	1,297	1,533	2,830	3,677
Other accrued liabilities	8,003	7,373	15,376	27,116
Total liabilities	109,879	109,817	219,696	485,138
Fund balances:				
Reserved for pension benefits	6,642,804	6,840,434	13,483,238	11,563,156
Total liabilities and fund balances	\$ 6,752,683	\$ 6,950,251	\$ 13,702,934	\$ 12,048,294

COMMONWEALTH OF MASSACHUSETTS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES -
PENSION TRUST FUNDS
FISCAL YEAR ENDED JUNE 30, 1995
(Amounts in thousands)

	State Employees' PERS	Teachers' PERS	Totals	
			1995	1994
Operating revenues:				
Commonwealth contributions	\$ 434,837	\$ 349,903	\$ 784,740	\$ 743,880
Employee contributions	218,837	182,655	401,492	386,988
Investment income	837,086	878,758	1,715,844	245,446
Total operating revenues	1,490,760	1,411,316	2,902,076	1,376,314
Operating expenses:				
Administration	1,297	1,527	2,824	3,677
Retirement benefits and refunds	550,157	429,013	979,170	930,630
Total operating expenses	551,454	430,540	981,994	934,307
Net income	939,306	980,776	1,920,082	442,007
Fund balances at beginning of year	5,703,498	5,859,658	11,563,156	11,121,149
Fund balances at end of year	\$ 6,642,804	\$ 6,840,434	\$ 13,483,238	\$ 11,563,156

COMMONWEALTH OF MASSACHUSETTS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FISCAL YEAR ENDED JUNE 30, 1995
(Amounts in thousands)

	Balance July 1, 1994	Additions	Deductions	Balance June 30, 1995
<u>Central Agency Funds</u>				
<u>ASSETS</u>				
Cash and short-term investments	\$ 1,029,348	\$ 3,887,921	\$ 3,920,558	\$ 996,711
Investments	382,021	74,973	4,582	452,412
Investments of deferred compensation plan	945,401	311,108	41,161	1,215,348
Annuity contracts	1,045,084	194,308	141,740	1,097,652
Assets held in trust	14,151		14,151	
Total assets	\$ 3,416,005	\$ 4,468,310	\$ 4,122,192	\$ 3,762,123

LIABILITIES

Accounts payable	\$ 12,103	\$ 1,022,114	\$ 1,028,794	\$ 5,423
Due to cities and towns	11,937	188,890	186,535	14,292
Due to federal government		56	56	
Prizes payable	1,045,084	194,308	141,740	1,097,652
Deferred compensation benefits payable	945,401	311,108	41,161	1,215,348
Agency liabilities	1,401,480	1,711,835	1,683,907	1,429,408
Total liabilities	\$ 3,416,005	\$ 3,428,311	\$ 3,082,193	\$ 3,762,123

Court Escrow and Client Accounts

ASSETS

Cash and short-term investments	\$ 52,597	\$ 330,101	\$ 311,382	\$ 71,316
Assets held in trust	49,862	32,383	39,589	42,656
Other receivables	19,000	27,000	19,000	27,000
Total assets	\$ 121,459	\$ 389,484	\$ 369,971	\$ 140,972

LIABILITIES

Agency liabilities	\$ 121,459	\$ 452,164	\$ 432,651	\$ 140,972
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Statutory Bonds and Deposits

ASSETS

Cash and short-term investments	\$ 813	\$ 172	\$ 12	\$ 973
Assets held in trust	1,486,904	149,807	6,503	1,630,208
Total assets	\$ 1,487,717	\$ 149,979	\$ 6,515	\$ 1,631,181

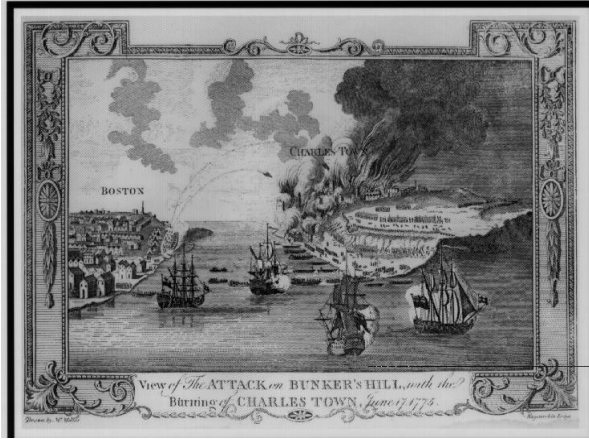
LIABILITIES

Agency liabilities	\$ 1,487,717	\$ 149,979	\$ 6,515	\$ 1,631,181
Total liabilities	\$ 1,487,717	\$ 149,979	\$ 6,515	\$ 1,631,181

	Balance July 1, 1994	Additions	Deductions	Balance June 30, 1995
<u>Total Agency Funds</u>				
<u>ASSETS</u>				
Cash and short-term investments	\$ 1,082,758	\$ 4,218,194	\$ 4,231,952	\$ 1,069,000
Investments	382,021	74,973	4,582	452,412
Investments of deferred compensation	945,401	311,108	41,161	1,215,348
Annuity contracts	1,045,084	194,308	141,740	1,097,652
Assets held in trust	1,550,917	182,190	60,243	1,672,864
Other receivables	19,000	27,000	19,000	27,000
Total assets	\$ <u>5,025,181</u>	\$ <u>5,007,773</u>	\$ <u>4,498,678</u>	\$ <u>5,534,276</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 12,103	\$ 1,022,114	\$ 1,028,794	\$ 5,423
Due to cities and towns	11,937	188,890	186,535	14,292
Due to federal government		56	56	
Prizes payable	1,045,084	194,308	141,740	1,097,652
Deferred compensation benefits payable	945,401	311,108	41,161	1,215,348
Agency liabilities	3,010,656	2,313,978	2,123,073	3,201,561
Total liabilities	\$ <u>5,025,181</u>	\$ <u>4,030,454</u>	\$ <u>3,521,359</u>	\$ <u>5,534,276</u>

“Don’t fire ‘til you see the whites of their eyes!”

Col. Preston’s orders to
his troops



After the news of Lexington and Concord over 16,000 militias from New Hampshire, Connecticut and Rhode Island arrived in Massachusetts. There had been little aggression since Concord. The British planned an attack, but the Sons of Liberty learned of the plan in time to execute a strategy of their own.

On that June 17th, the British attacked three times. In order to conserve gunpowder, the colonists did not fire on the British until they could see “the whites of their eyes.” Just seconds after the “Fire!” order, entire rows of British soldiers were dropping dead. However by the third attack, the more powerful and better supplied British army succeeded.

The Battle of Bunker Hill (also known as the Battle of Breed's Hill) was viewed as a moral victory for the Colonists. Although Charlestown was burned, and the militia had to retreat with losses of over 350 soldiers, 1,000 redcoats were killed or wounded which amounted to over half of the British troops. The patriots had defended themselves against the most powerful army in the world.

Battle of Bunker Hill

Engraving courtesy of The Bostonian Society

**COMMONWEALTH OF MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 1995**

UNIVERSITY AND COLLEGE FUND TYPE

This fund type combines, in accordance with the AICPA Audit Guide for College and Universities, the financial activity from all fund types for: the University of Massachusetts System, including its campuses at Amherst, Boston, Dartmouth, Lowell and Worcester; and, The Teaching Hospital, Group Practice and Building Authority; and, the State College System including nine state Colleges which provide four year post-secondary education and the state College Building authority; and, the Community College system including fifteen community colleges which provide two year-secondary education programs.

**COMMONWEALTH OF MASSACHUSETTS
COMBINING BALANCE SHEET -
UNIVERSITY AND COLLEGE FUNDS
JUNE 30, 1995
(Amounts in thousands)**

	Current Funds	
	Unrestricted	Restricted
<u>ASSETS</u>		
Cash and short-term investments	\$ 89,070	\$ 4,700
Deposits	48,700	
Investments	145,859	32,549
Receivables, net of allowance for uncollectibles:		
Due from federal government		9,024
Loans		
Other receivables	81,025	32,658
Due from other funds	33,315	
Inventory	15,038	
Fixed assets		
Other assets	8,360	71
Total assets	\$ 421,367	\$ 79,002
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$ 44,507	\$ 6,623
Accrued payroll	51,250	2,253
Compensated absences	83,694	1,343
Due to other funds	36,041	32,460
Deferred revenue	7,535	
Claims and judgments	40,815	
Deposits and unearned revenue	6,271	4,244
Other accrued liabilities	69,380	107
Capital leases		
Bonds, notes payable and certificates of participation		
Total liabilities	339,493	47,030
Fund balances:		
Unrestricted	81,874	
Restricted		31,972
Unexpended plant funds		
Renewals and replacements		
Retirement of indebtedness		
Net investment in plant		
Total fund balances	81,874	31,972
Total liabilities and fund balances	\$ 421,367	\$ 79,002

Loan Funds	Endowment and Similar Funds	Plant Funds	Totals	
			1995	1994
\$ 654	\$ 4,622	\$ 32,277	\$ 131,323	\$ 87,949
		24,064	72,764	55,268
2,957	50,804	38,665	270,834	255,295
			9,024	9,378
47,534	3		47,537	44,471
53		2,312	116,048	130,334
	180	906	34,401	28,459
			15,038	13,572
		2,078,430	2,078,430	2,058,075
		15,638	24,069	9,921
<u>\$ 51,198</u>	<u>\$ 55,609</u>	<u>\$ 2,192,292</u>	<u>\$ 2,799,468</u>	<u>\$ 2,692,722</u>
\$ 132	\$ 0	\$ 4,103	\$ 55,365	\$ 45,369
		7	53,510	54,078
			85,037	91,348
220		489	69,210	34,679
			7,535	6,016
			40,815	71,981
			10,515	6,997
		2,138	71,625	66,827
		19,422	19,422	19,558
		295,250	295,250	260,933
<u>352</u>		<u>321,409</u>	<u>708,284</u>	<u>657,786</u>
	34,127		116,001	90,358
50,846	21,482		104,300	102,153
		25,120	25,120	25,779
		25,298	25,298	15,677
		16,915	16,915	21,528
		1,803,550	1,803,550	1,779,441
<u>50,846</u>	<u>55,609</u>	<u>1,870,883</u>	<u>2,091,184</u>	<u>2,034,936</u>
<u>\$ 51,198</u>	<u>\$ 55,609</u>	<u>\$ 2,192,292</u>	<u>\$ 2,799,468</u>	<u>\$ 2,692,722</u>